

From: Lenny Wolfe [<mailto:Lenny.Wolfe@CornerstoneGrp.com>]
Sent: Thursday, August 31, 2017 11:19 AM
To: Ken Reecy <Ken.Reecy@floridahousing.org>
Subject: Large County Tax Credit Cycle

Dear Ken:

I wanted to respond to a provision in the draft rule regarding site control. Historically, a 50 year ground lease has been sufficient for application purposes. Now, there is a proposal to change that to 55 years, to allow time for construction, lease-up, etc.

We don't think that rule is necessary since, even assuming a 3 year period for construction and lease-up, there would still be 47 years remaining on the lease term which is more than adequate for tax credit purposes and to amortize fully 30 year debt.

Moreover, many governmental entities have a maximum 50 year term for leasehold interests (including all extensions), and I do not think they would be willing to go through the time-consuming process to change their charter simply to enable a proposed project to apply for FHFC funding. It would be unfortunate to turn away a governmental body which supports affordable housing simply because the lease term needed to be 55 year instead of 50.

If you have any questions, please contact me. Thank you kindly.

Lenny Wolfe